

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

THE UNITED STATES OF AMERICA,

Plaintiff,

v.

STATE OF NORTH CAROLINA,

Defendant.

Case No. 5:12-cv-557-D

MODIFICATION OF SETTLEMENT AGREEMENT

1. The United States and the State of North Carolina (collectively, “the Parties”) entered into a court-enforceable Settlement Agreement (“Agreement”), which the Parties jointly filed with the Court on August 23, 2012. D.E. 2-2. The Parties also filed a joint motion to conditionally dismiss the action pursuant to Federal Rule of Civil Procedure 41(a)(2). Joint Mot. to Dismiss, Aug. 23, 2012, D.E. 2.
2. On October 5, 2012, the Court granted the joint motion and retained jurisdiction to enforce the Agreement, incorporating by reference the terms of the Agreement. Order, D.E. 13.
3. On September 21, 2017, the Court ordered the parties to negotiate in good faith and file any agreed-to timeline modifications to the Agreement. Order, D.E. 29.
4. The Parties therefore enter into this court-enforceable modification to extend the Agreement (“Modification”).
5. Section III(B)(3)(f)-(h) of the Agreement (“COMMUNITY-BASED SUPPORTED HOUSING SLOTS”) is deleted and replaced with the following:
 - f. By July 1, 2018 the State will provide Housing Slots to at least 1,666 individuals.
 - g. By July 1, 2019 the State will provide Housing Slots to at least 2,110 individuals.

- h. By July 1, 2020 the State will provide Housing Slots to at least 2,554 individuals.
 - i. By July 1, 2021 the State will provide Housing Slots to at least 3,000 individuals.
- 6. The portion of Section III(D)(3) of the Agreement (“SUPPORTED EMPLOYMENT”) that follows the July 1, 2017 obligation is deleted and replaced with the following:

by July 1, 2018, the State will provide Supported Employment Services to a total of 1,577 individuals; by July 1, 2019, the State will provide Supported Employment Services to a total of 1,885 individuals; by July 1, 2020, the State will provide Supported Employment Services to a total of 2,193 individuals; and by July 1, 2021, the State will provide Supported Employment Services to a total of 2,500 individuals.
- 7. The second sentence of Section V(B) is deleted and replaced with the following:

The Parties anticipate that the State will have substantially complied with all provisions of this Agreement by July 1, 2021, unless the Agreement is otherwise terminated, cancelled, or extended.
- 8. The fourth sentence of Section V(B) is deleted and replaced with the following:

Any Agreement deadline may be extended by mutual agreement of both Parties or pursuant to the process described in Section V(C) below in the event that the State has not achieved compliance with the Agreement on or before July 1, 2021.
- 9. Section V(C) is deleted and replaced with the following:

The Court shall retain jurisdiction of this action for the purposes specified in Section V(A) until July 1, 2021 unless:

 - (1) the Parties jointly ask the Court to terminate the Agreement before July 1, 2021. If the State has substantially complied with the Agreement before that date, the United States shall not unreasonably decline to join the State in a motion to terminate the Agreement early; or
 - (2) the United States disputes that the State is in substantial compliance with the Agreement as of July 1, 2021. If so, the United States shall inform the Court and the State by January 1, 2021 that it disputes substantial compliance, and the Court may schedule further proceedings as appropriate. In any such proceedings, the burden shall be on the State to demonstrate substantial compliance.

10. The effective date of this Modification shall be the date on which the Court approves and enters it.
11. This Modification incorporates by reference and amends the Agreement the parties entered on August 23, 2012. The Modification supplements and does not supplant the Agreement. Unless otherwise noted, all definitions, obligations, and terms and conditions in the Agreement remain in force, in their original unmodified form, for the term of the Agreement as extended.

Executed this 27th day of October 2017.

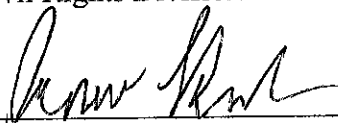
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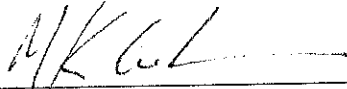
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Executed on this 27th day of October, 2017

FOR THE STATE OF NORTH CAROLINA:

A handwritten signature in dark ink, appearing to read 'M. K. Cohen', written over a horizontal line.

MANDY K. COHEN, MD, MPH

Secretary

North Carolina Department of Health and Human Services